

## LNG: new opportunities for Europe

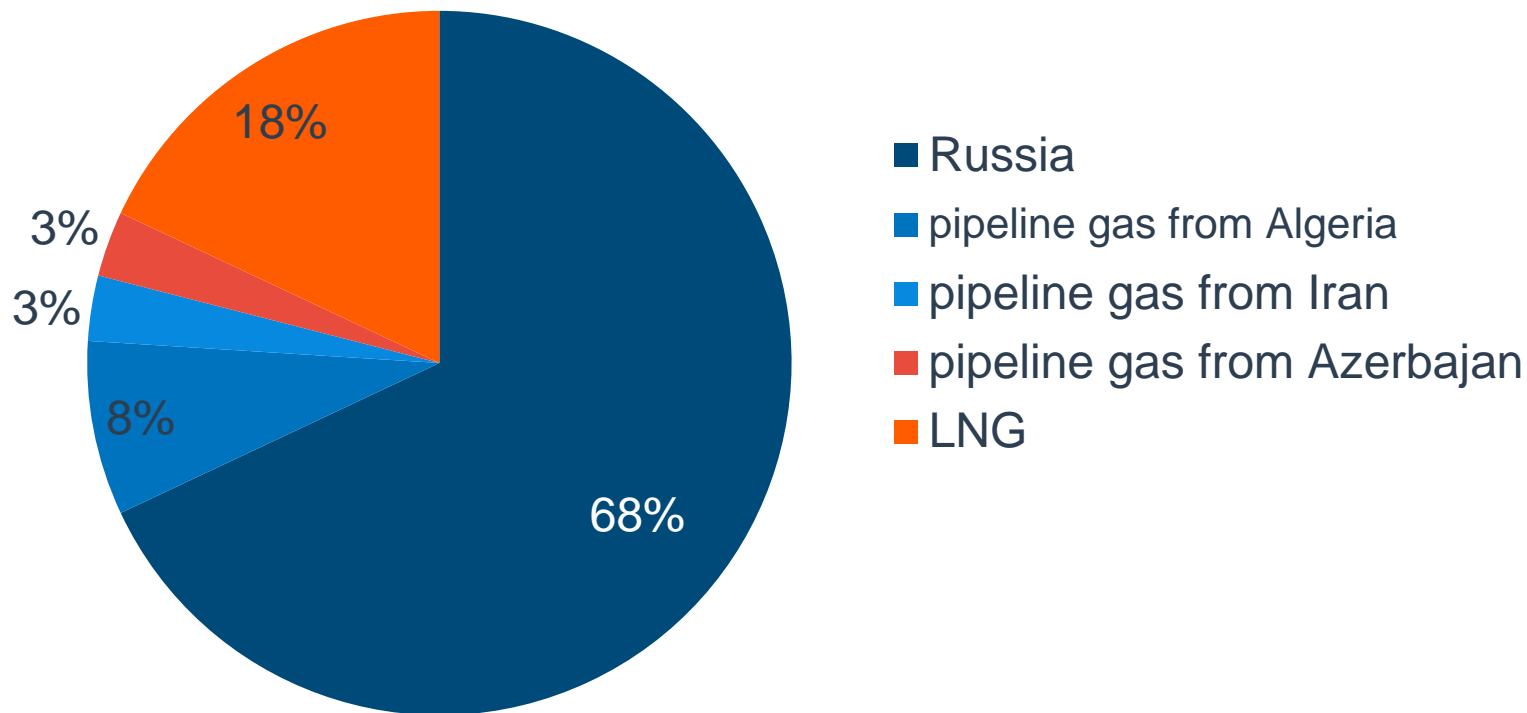
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Karpacz, 19.12.2015

# LNG represents 18% of total EU gas imports

## Gas import to Europe in 2013\*

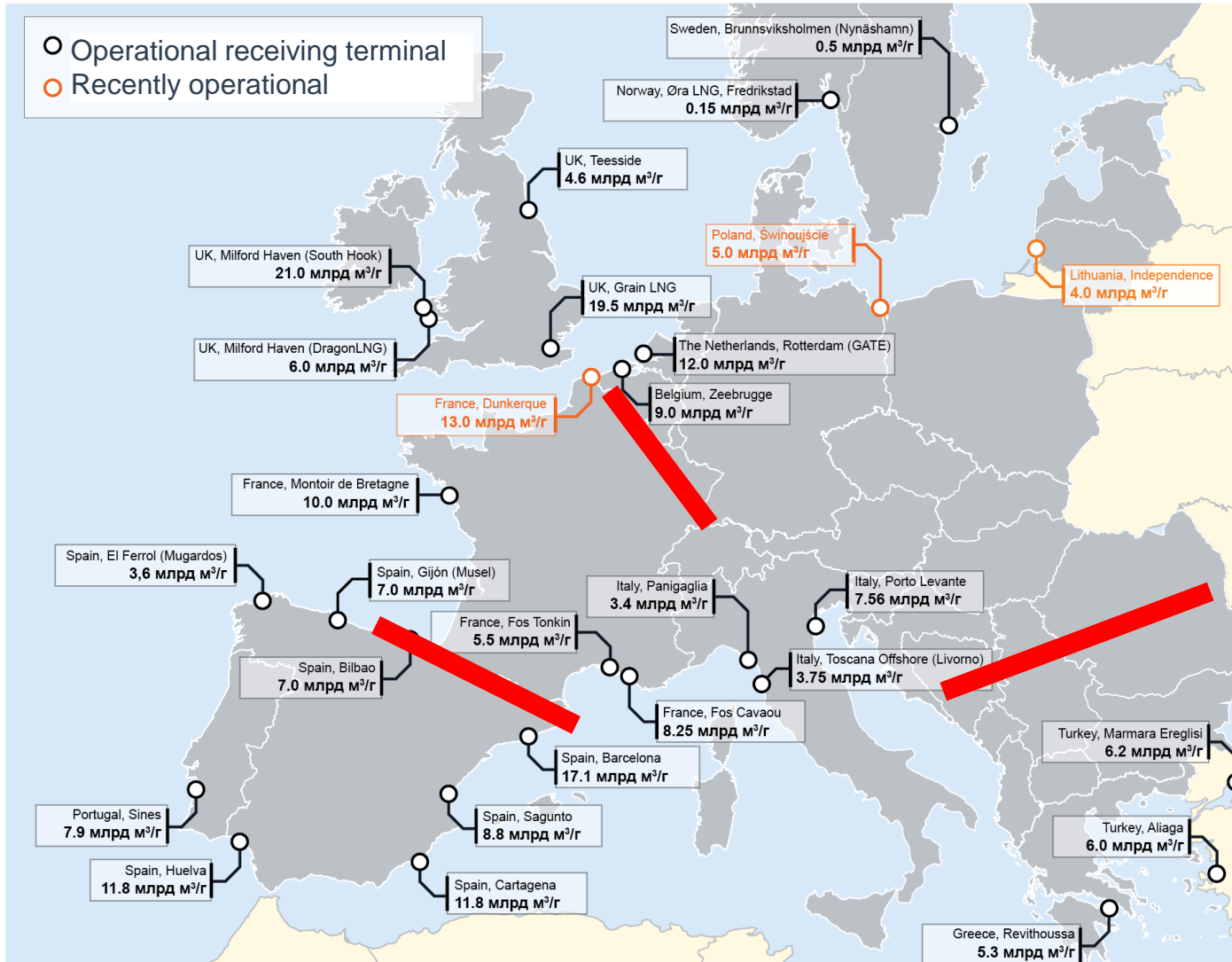


- LNG supplies to Europe decreases from 2011
- A high proportion of spot supply of LNG to Europe allows to redirect flows to more attractive markets in the Asia-Pacific region
- Usually these volumes are replaced by Russian pipeline gas

\* Gas supply from Norway taken as domestic production  
Source: IEA, Sberbank investment Research, VYGON Consulting

# The utilization load-factor of European receiving LNG terminals is around 20%

## Operational receiving LNG terminal in Europe

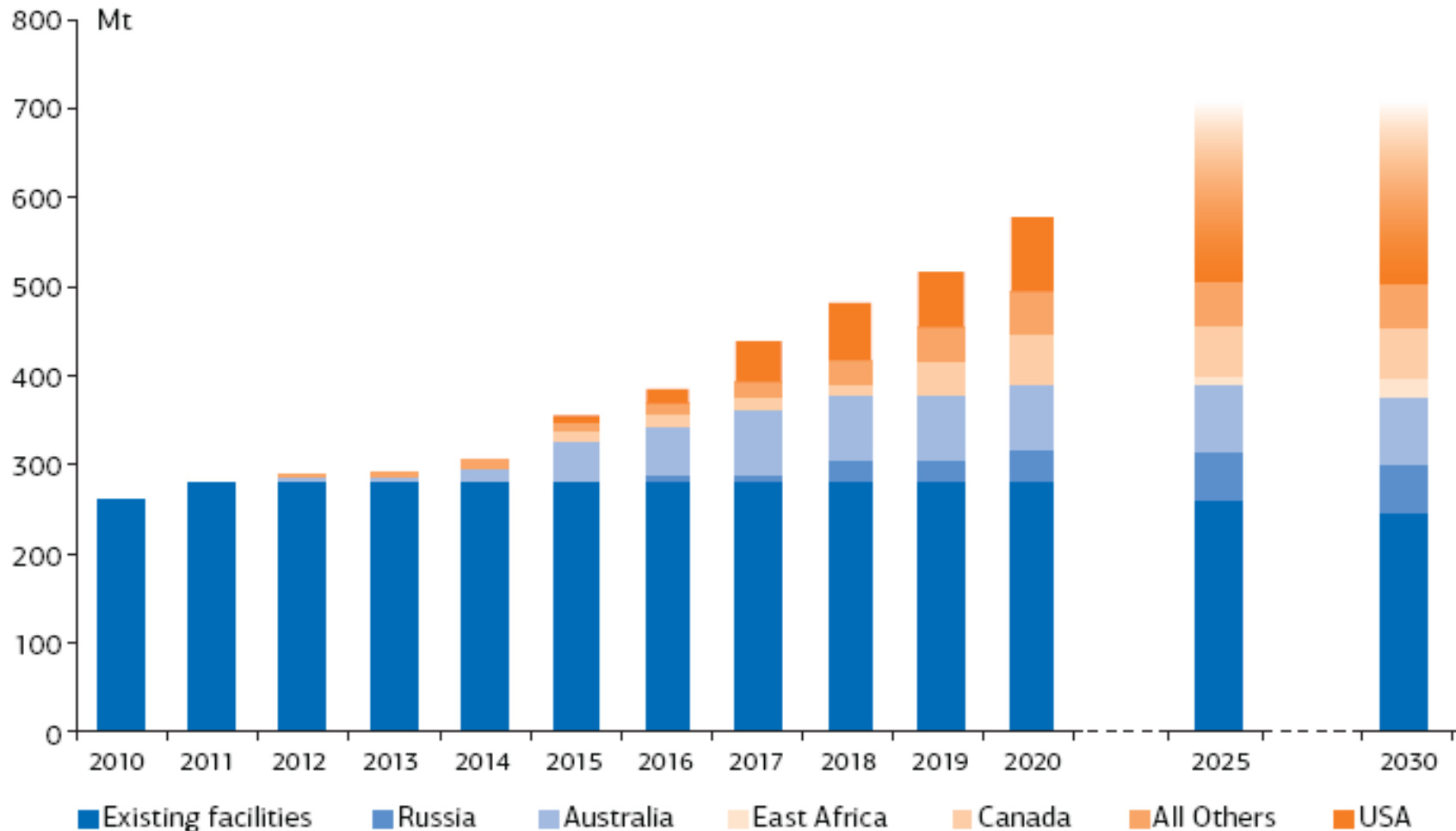


- Regasification capacities in Europe (incl. Turkey ) in 2014 – 150 mln t
- Free capacities are around 155 bcm
- around 75% of the EU import capacity is in Spain, Portugal, France and the UK
- With appropriate volumes of LNG available in the world market and sufficient infrastructure, Europe will be able to replace Russian gas

bottlenecks

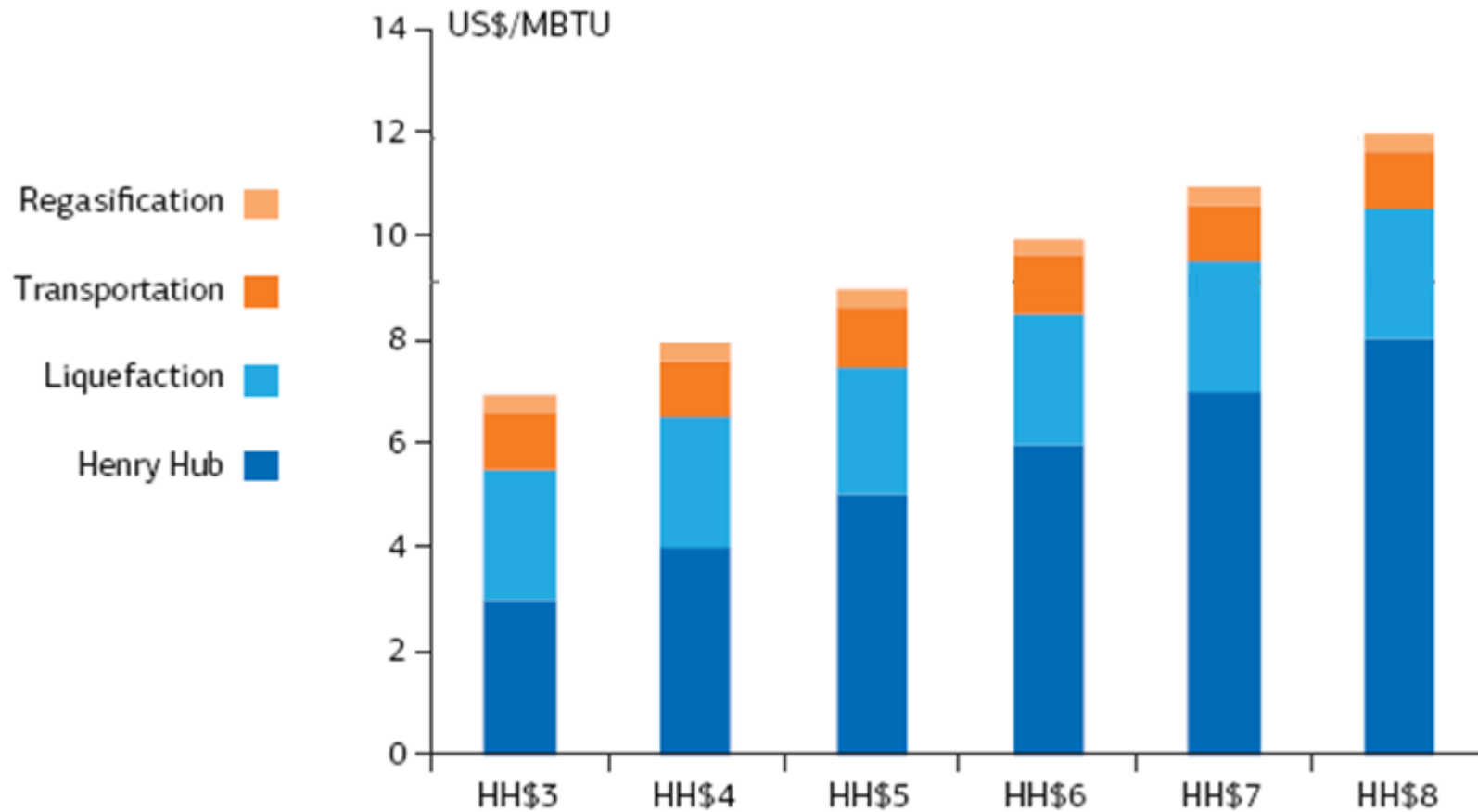
# USA has a huge LNG production potential, the first US LNG will reach Europe in 2016

## LNG production forecast facilities



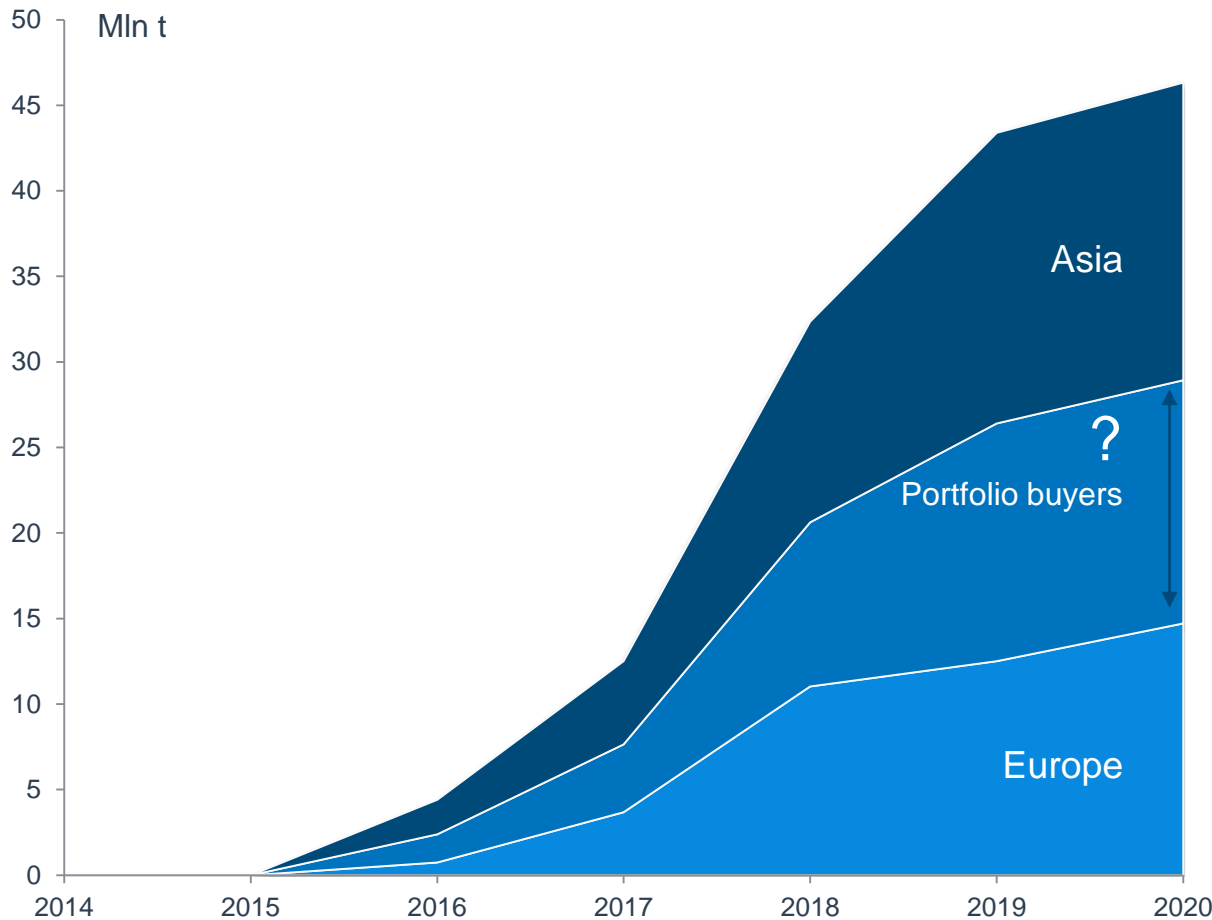
# The average price of US LNG in Europe will be 7-9 USD/MBtu

## The cost of US LNG supply to Europe



# The US LNG export volumes to Europe will depend on the price differential to Asia.

## US LNG supply forecast\*



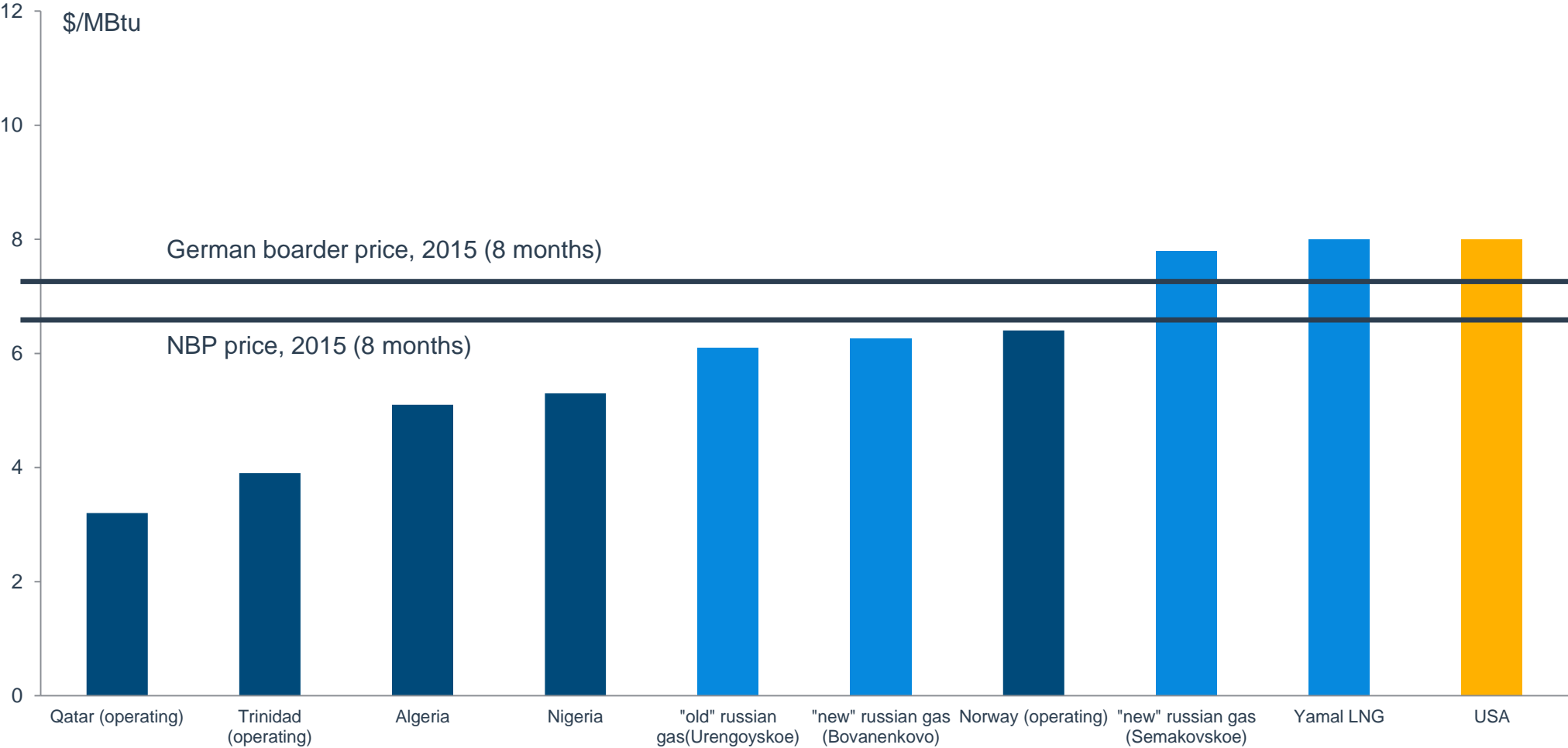
- By 2020 US LNG export – 45 mln t
- 45% contracted by Asian buyers, 10% - by Europeans, 45% - portfolio buyers no fixed delivery point

\* Forecast based on the already signed contracts

# Spot prices in Europe will be determined by the cost of a marginal LNG supplier



Cost of supply to Europe in 2020



Source: IEA, companies data, VYGON Consulting

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